

BRYAN CAVE LLP
JOHN W. AMBERG (California SBN #108166)
HEATHER S. ORR (California SBN #239449)
120 Broadway, Suite 300
Santa Monica, California 90401-2386
Telephone: 310-576-2233
Facsimile: 310-576-2200
jwamberg@bryancave.com
heather.orr@bryancave.com

Attorneys for Defendants
COUNTRYWIDE BANK, FSB AND
COUNTRYWIDE FINANCIAL CORP.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

Rosa Galindo, Maria Galindo,

Plaintiffs,

vs.

Financo Financial, Inc.; Patrick Patchin;
Ahmed Yama Asefi, Aaroon Sadat and
Nazia Nawabzada; Countrywide Bank,
N.A.; Countrywide Financial Corp.;
Homecomings Financial Network;
Commonwealth Land Title Company;
Joseph Esquivel, Pamela Spikes, and
Does 1-100,

Defendants.

Case No. C07-03991

**COUNTRYWIDE BANK, FSB AND
COUNTRYWIDE FINANCIAL
CORPORATION'S ANSWER TO
SECOND AMENDED COMPLAINT**

Second Amended Complaint Filed:
November 1, 2007

Defendants Countrywide Bank, FSB, f.k.a. Countrywide Bank N.A.
("Countrywide Bank"), and Countrywide Financial Corporation, (sometimes
referred to collectively as "Countrywide") answer the Second Amended Complaint
(the "Complaint") of Plaintiffs Rosa Galindo and Maria Galindo ("Plaintiffs"), and
admit, deny, and allege as follows:

SM01DOCS\656746.1

1 1. Countrywide lacks adequate information to admit or deny the
2 allegations of paragraph 1 of the Complaint, and on that basis denies them.

3 2. Countrywide Bank admits the allegations of paragraph 2 of the
4 Complaint. Countrywide Financial Corporation lacks adequate information to admit
5 or deny the allegations of paragraph 2 of the Complaint, and on that basis denies
6 them.

7 3. Countrywide Bank admits the allegations of paragraph 3 of the
8 Complaint. Countrywide Financial Corporation lacks adequate information to admit
9 or deny the allegations of paragraph 3 of the Complaint, and on that basis denies
10 them.

11 4. Countrywide Bank admits the allegations of paragraph 4 of the
12 Complaint. Countrywide Financial Corporation lacks adequate information to admit
13 or deny the allegations of paragraph 4 of the Complaint, and on that basis denies
14 them.

15 5. Countrywide admits that Countrywide Bank and Countrywide
16 Financial Corporation are corporations or other business entities doing business in
17 the State of California. Countrywide lacks adequate information to admit or deny
18 the remaining allegations of paragraph 5 of the Complaint, and on that basis denies
19 them.

20 6. The allegations of paragraph 6 of the Complaint do not appear to be
21 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
22 which no response is necessary. Insofar as such allegations are construed to pertain
23 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
24 Countrywide denies those allegations. Countrywide lacks adequate information to
25 admit or deny the allegations of paragraph 6 of the Complaint insofar as they pertain
26 to purported misconduct by others, and on that basis denies them.

27 7. Countrywide Bank denies the allegations of paragraph 7 of the
28 Complaint. Countrywide Financial Corporation lacks adequate information to admit

1 or deny the allegations of paragraph 7 of the Complaint, and on that basis denies
2 them.

3 8. Countrywide lacks adequate information to admit or deny the
4 allegations of paragraph 8 of the Complaint, and on that basis denies them.

5 9. Countrywide lacks adequate information to admit or deny the
6 allegations of paragraph 9 of the Complaint, and on that basis denies them.

7 10. Countrywide lacks adequate information to admit or deny the
8 allegations of paragraph 10 of the Complaint, and on that basis denies them.

9 11. The allegations of paragraph 11 of the Complaint do not appear to be
10 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
11 which no response is necessary. Insofar as such allegations are construed to pertain
12 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
13 Countrywide denies those allegations. Countrywide lacks adequate information to
14 admit or deny the allegations of paragraph 11 of the Complaint insofar as they
15 pertain to purported misconduct by others, and on that basis denies them.

16 12. Countrywide lacks adequate information to admit or deny the
17 allegations of paragraph 12 of the Complaint, and on that basis denies them.

18 13. The allegations of paragraph 13 of the Complaint do not appear to be
19 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
20 which no response is necessary. Insofar as such allegations are construed to pertain
21 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
22 Countrywide denies those allegations. Countrywide lacks adequate information to
23 admit or deny the allegations of paragraph 13 of the Complaint insofar as they
24 pertain to purported misconduct by others, and on that basis denies them.

25 14. The allegations of paragraph 14 of the Complaint do not appear to be
26 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
27 which no response is necessary. Insofar as such allegations are construed to pertain
28 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,

1 Countrywide denies those allegations. Countrywide lacks adequate information to
2 admit or deny the allegations of paragraph 14 of the Complaint insofar as they
3 pertain to purported misconduct by others, and on that basis denies them.

4 15. The allegations of paragraph 15 of the Complaint do not appear to be
5 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
6 which no response is necessary. Insofar as such allegations are construed to pertain
7 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
8 Countrywide denies those allegations. Countrywide lacks adequate information to
9 admit or deny the allegations of paragraph 15 of the Complaint insofar as they
10 pertain to purported misconduct by others, and on that basis denies them.

11 16. The allegations of paragraph 16 of the Complaint do not appear to be
12 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
13 which no response is necessary. Insofar as such allegations are construed to pertain
14 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
15 Countrywide denies those allegations. Countrywide lacks adequate information to
16 admit or deny the allegations of paragraph 16 of the Complaint insofar as they
17 pertain to purported misconduct by others, and on that basis denies them.

FIRST CAUSE OF ACTION

Breach of Fiduciary Duty

18
19
20
21 17. In response to paragraph 17 of the Complaint, Countrywide
22 incorporates by reference its responses to paragraphs 1 through 16 above. Except as
23 expressly admitted in such responses, Countrywide denies the allegations of
24 paragraph 17 and each and every paragraph referenced therein.

25 18. The allegations of paragraph 18 of the Complaint do not appear to be
26 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
27 which no response is necessary. Insofar as such allegations are construed to pertain
28 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,

1 Countrywide denies those allegations. Countrywide lacks adequate information to
2 admit or deny the allegations of paragraph 18 of the Complaint insofar as they
3 pertain to purported misconduct by others, and on that basis denies them.

4 19. The allegations of paragraph 19 of the Complaint do not appear to be
5 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
6 which no response is necessary. Insofar as such allegations are construed to pertain
7 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
8 Countrywide denies those allegations. Countrywide lacks adequate information to
9 admit or deny the allegations of paragraph 19 of the Complaint insofar as they
10 pertain to purported misconduct by others, and on that basis denies them.

11 20. The allegations of paragraph 20 of the Complaint do not appear to be
12 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
13 which no response is necessary. Insofar as such allegations are construed to pertain
14 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
15 Countrywide denies those allegations. Countrywide lacks adequate information to
16 admit or deny the allegations of paragraph 20 of the Complaint insofar as they
17 pertain to purported misconduct by others, and on that basis denies them.

18 21. The allegations of paragraph 21 of the Complaint do not appear to be
19 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
20 which no response is necessary. Insofar as such allegations are construed to pertain
21 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
22 Countrywide denies those allegations. Countrywide lacks adequate information to
23 admit or deny the allegations of paragraph 21 of the Complaint insofar as they
24 pertain to purported misconduct by others, and on that basis denies them.

25 22. The allegations of paragraph 22 of the Complaint do not appear to be
26 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
27 which no response is necessary. Insofar as such allegations are construed to pertain
28 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,

1 Countrywide denies those allegations. Countrywide lacks adequate information to
2 admit or deny the allegations of paragraph 22 of the Complaint insofar as they
3 pertain to purported misconduct by others, and on that basis denies them.

4 23. The allegations of paragraph 23 of the Complaint do not appear to be
5 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
6 which no response is necessary. Insofar as such allegations are construed to pertain
7 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
8 Countrywide denies those allegations. Countrywide lacks adequate information to
9 admit or deny the allegations of paragraph 23 of the Complaint insofar as they
10 pertain to purported misconduct by others, and on that basis denies them.

11 12 **SECOND CAUSE OF ACTION**

13 **Negligence**

14 24. In response to paragraph 24 of the Complaint, Countrywide
15 incorporates by reference its responses to paragraphs 1 through 23 above. Except as
16 expressly admitted in such responses, Countrywide denies the allegations of
17 paragraph 24 and each and every paragraph referenced therein.

18 25. The allegations of paragraph 25 of the Complaint do not appear to be
19 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
20 which no response is necessary. Insofar as such allegations are construed to pertain
21 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
22 Countrywide denies those allegations. Countrywide lacks adequate information to
23 admit or deny the allegations of paragraph 25 of the Complaint insofar as they
24 pertain to purported misconduct by others, and on that basis denies them.

25 26. The allegations of paragraph 26 of the Complaint do not appear to be
26 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
27 which no response is necessary. Insofar as such allegations are construed to pertain
28 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,

1 Countrywide denies those allegations. Countrywide lacks adequate information to
2 admit or deny the allegations of paragraph 26 of the Complaint insofar as they
3 pertain to purported misconduct by others, and on that basis denies them.

4 27. The allegations of paragraph 27 of the Complaint do not appear to be
5 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
6 which no response is necessary. Insofar as such allegations are construed to pertain
7 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
8 Countrywide denies those allegations. Countrywide lacks adequate information to
9 admit or deny the allegations of paragraph 27 of the Complaint insofar as they
10 pertain to purported misconduct by others, and on that basis denies them.

11 28. Countrywide denies the allegations of paragraph 28 of the Complaint.

12 29. The allegations of paragraph 29 of the Complaint do not appear to be
13 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
14 which no response is necessary. Insofar as such allegations are construed to pertain
15 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
16 Countrywide denies those allegations. Countrywide lacks adequate information to
17 admit or deny the allegations of paragraph 29 of the Complaint insofar as they
18 pertain to purported misconduct by others, and on that basis denies them.

19 30. Countrywide lacks adequate information to admit or deny the
20 allegations of paragraph 30 of the Complaint, and on that basis denies them.

21 22 **THIRD CAUSE OF ACTION**

23 **Violation of the Truth In Lending Act**

24 31. In response to paragraph 31 of the Complaint, Countrywide
25 incorporates by reference its responses to paragraphs 1 through 30 above. Except as
26 expressly admitted in such responses, Countrywide denies the allegations of
27 paragraph 31 and each and every paragraph referenced therein.
28

32. Countrywide Bank admits that it is a creditor within the meaning of the Truth In Lending Act ("TILA"). Countrywide Bank lacks adequate information to admit or deny the remaining allegations of paragraph 32 of the Complaint, and on that basis denies them. Countrywide Financial Corporation lacks adequate information to admit or deny the allegations of paragraph 32 of the Complaint, and on that basis denies them.

33. Countrywide denies the allegations of paragraph 33 of the Complaint.

34. Countrywide denies the allegations of paragraph 34 of the Complaint.

35. Countrywide lacks adequate information to admit or deny the allegations of paragraph 34 of the Complaint, and on that basis denies them.

36. Countrywide denies the allegations of paragraph 36 of the Complaint.

37. Countrywide denies the allegations of paragraph 37 of the Complaint.

FOURTH CAUSE OF ACTION

Violation of the Real Estate Settlement Procedures Act

38. In response to paragraph 38 of the Complaint, Countrywide incorporates by reference its responses to paragraphs 1 through 37 above. Except as expressly admitted in such responses, Countrywide denies the allegations of paragraph 38 and each and every paragraph referenced therein.

39. Countrywide Bank admits the allegations of paragraph 39 of the Complaint. Countrywide Financial Corporation lacks adequate information to admit or deny the allegations of paragraph 39 of the Complaint, and on that basis denies them.

40. Countrywide denies the allegations of paragraph 40 of the Complaint.

41. Countrywide denies the allegations of paragraph 41 of the Complaint.

42. Countrywide denies the allegations of paragraph 42 of the Complaint.

43. Countrywide denies the allegations of paragraph 43 of the Complaint.

44. Countrywide denies the allegations of paragraph 44 of the Complaint.

FIFTH CAUSE OF ACTION**Fraud (Intentional Misrepresentation)**

45. In response to paragraph 45 of the Complaint, Countrywide incorporates by reference its responses to paragraphs 1 through 44 above. Except as expressly admitted in such responses, Countrywide denies the allegations of paragraph 45 and each and every paragraph referenced therein.

46. The allegations of paragraph 46 of the Complaint do not appear to be directed against Countrywide, and constitute legal conclusions and/or rhetoric for which no response is necessary. Insofar as such allegations are construed to pertain to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide, Countrywide denies those allegations. Countrywide lacks adequate information to admit or deny the allegations of paragraph 46 of the Complaint insofar as they pertain to purported misconduct by others, and on that basis denies them.

47. The allegations of paragraph 47 of the Complaint do not appear to be directed against Countrywide, and constitute legal conclusions and/or rhetoric for which no response is necessary. Insofar as such allegations are construed to pertain to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide, Countrywide denies those allegations. Countrywide lacks adequate information to admit or deny the allegations of paragraph 47 of the Complaint insofar as they pertain to purported misconduct by others, and on that basis denies them.

48. The allegations of paragraph 48 of the Complaint do not appear to be directed against Countrywide, and constitute legal conclusions and/or rhetoric for which no response is necessary. Insofar as such allegations are construed to pertain to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide, Countrywide denies those allegations. Countrywide lacks adequate information to admit or deny the allegations of paragraph 48 of the Complaint insofar as they pertain to purported misconduct by others, and on that basis denies them.

1 56. The allegations of paragraph 56 of the Complaint do not appear to be
2 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
3 which no response is necessary. Insofar as such allegations are construed to pertain
4 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
5 Countrywide denies those allegations. Countrywide lacks adequate information to
6 admit or deny the allegations of paragraph 56 of the Complaint insofar as they
7 pertain to purported misconduct by others, and on that basis denies them.

8 57. The allegations of paragraph 57 of the Complaint do not appear to be
9 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
10 which no response is necessary. Insofar as such allegations are construed to pertain
11 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
12 Countrywide denies those allegations. Countrywide lacks adequate information to
13 admit or deny the allegations of paragraph 57 of the Complaint insofar as they
14 pertain to purported misconduct by others, and on that basis denies them.

15 58. The allegations of paragraph 58 of the Complaint do not appear to be
16 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
17 which no response is necessary. Insofar as such allegations are construed to pertain
18 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
19 Countrywide denies those allegations. Countrywide lacks adequate information to
20 admit or deny the allegations of paragraph 58 of the Complaint insofar as they
21 pertain to purported misconduct by others, and on that basis denies them.

22 59. The allegations of paragraph 59 of the Complaint do not appear to be
23 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
24 which no response is necessary. Insofar as such allegations are construed to pertain
25 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
26 Countrywide denies those allegations. Countrywide lacks adequate information to
27 admit or deny the allegations of paragraph 59 of the Complaint insofar as they
28 pertain to purported misconduct by others, and on that basis denies them.

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120 Broadway, Suite 300
Santa Monica, California 90401-2386

1 60. The allegations of paragraph 60 of the Complaint do not appear to be
2 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
3 which no response is necessary. Insofar as such allegations are construed to pertain
4 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
5 Countrywide denies those allegations. Countrywide lacks adequate information to
6 admit or deny the allegations of paragraph 60 of the Complaint insofar as they
7 pertain to purported misconduct by others, and on that basis denies them.

8 61. The allegations of paragraph 61 of the Complaint do not appear to be
9 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
10 which no response is necessary. Insofar as such allegations are construed to pertain
11 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
12 Countrywide denies those allegations. Countrywide lacks adequate information to
13 admit or deny the allegations of paragraph 61 of the Complaint insofar as they
14 pertain to purported misconduct by others, and on that basis denies them.

15 62. The allegations of paragraph 62 of the Complaint do not appear to be
16 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
17 which no response is necessary. Insofar as such allegations are construed to pertain
18 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
19 Countrywide denies those allegations. Countrywide lacks adequate information to
20 admit or deny the allegations of paragraph 62 of the Complaint insofar as they
21 pertain to purported misconduct by others, and on that basis denies them.

22 63. The allegations of paragraph 63 of the Complaint do not appear to be
23 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
24 which no response is necessary. Insofar as such allegations are construed to pertain
25 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
26 Countrywide denies those allegations. Countrywide lacks adequate information to
27 admit or deny the allegations of paragraph 63 of the Complaint insofar as they
28 pertain to purported misconduct by others, and on that basis denies them.

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1 64. The allegations of paragraph 64 of the Complaint do not appear to be
2 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
3 which no response is necessary. Insofar as such allegations are construed to pertain
4 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
5 Countrywide denies those allegations. Countrywide lacks adequate information to
6 admit or deny the allegations of paragraph 64 of the Complaint insofar as they
7 pertain to purported misconduct by others, and on that basis denies them.

8 65. The allegations of paragraph 65 of the Complaint do not appear to be
9 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
10 which no response is necessary. Insofar as such allegations are construed to pertain
11 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
12 Countrywide denies those allegations. Countrywide lacks adequate information to
13 admit or deny the allegations of paragraph 65 of the Complaint insofar as they
14 pertain to purported misconduct by others, and on that basis denies them.

15 66. The allegations of paragraph 66 of the Complaint do not appear to be
16 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
17 which no response is necessary. Insofar as such allegations are construed to pertain
18 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
19 Countrywide denies those allegations. Countrywide lacks adequate information to
20 admit or deny the allegations of paragraph 66 of the Complaint insofar as they
21 pertain to purported misconduct by others, and on that basis denies them.

22 23 **SEVENTH CAUSE OF ACTION**

24 **Fraud (Concealment)**

25 67. In response to paragraph 67 of the Complaint, Countrywide
26 incorporates by reference its responses to paragraphs 1 through 66 above. Except as
27 expressly admitted in such responses, Countrywide denies the allegations of
28 paragraph 67 and each and every paragraph referenced therein.

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1 68. The allegations of paragraph 68 of the Complaint do not appear to be
2 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
3 which no response is necessary. Insofar as such allegations are construed to pertain
4 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
5 Countrywide denies those allegations. Countrywide lacks adequate information to
6 admit or deny the allegations of paragraph 68 of the Complaint insofar as they
7 pertain to purported misconduct by others, and on that basis denies them.

8 69. The allegations of paragraph 69 of the Complaint do not appear to be
9 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
10 which no response is necessary. Insofar as such allegations are construed to pertain
11 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
12 Countrywide denies those allegations. Countrywide lacks adequate information to
13 admit or deny the allegations of paragraph 69 of the Complaint insofar as they
14 pertain to purported misconduct by others, and on that basis denies them.

15 70. The allegations of paragraph 70 of the Complaint do not appear to be
16 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
17 which no response is necessary. Insofar as such allegations are construed to pertain
18 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
19 Countrywide denies those allegations. Countrywide lacks adequate information to
20 admit or deny the allegations of paragraph 70 of the Complaint insofar as they
21 pertain to purported misconduct by others, and on that basis denies them.

22 71. Countrywide denies the allegations of paragraph 71 of the Complaint.

23 72. Countrywide lacks adequate information to admit or deny the
24 allegations of paragraph 72 of the Complaint, and on that basis denies them.

25 73. Countrywide lacks adequate information to admit or deny the
26 allegations of paragraph 73 of the Complaint, and on that basis denies them.
27
28

EIGHTH CAUSE OF ACTION**Breach of Contract and Implied Covenant of Good Faith and Fair Dealing**

74. In response to paragraph 74 of the Complaint, Countrywide incorporates by reference its responses to paragraphs 1 through 73 above. Except as expressly admitted in such responses, Countrywide denies the allegations of paragraph 74 and each and every paragraph referenced therein.

75. The allegations of paragraph 75 of the Complaint do not appear to be directed against Countrywide, and constitute legal conclusions and/or rhetoric for which no response is necessary. Insofar as such allegations are construed to pertain to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide, Countrywide denies those allegations. Countrywide lacks adequate information to admit or deny the allegations of paragraph 75 of the Complaint insofar as they pertain to purported misconduct by others, and on that basis denies them.

76. The allegations of paragraph 76 of the Complaint do not appear to be directed against Countrywide, and constitute legal conclusions and/or rhetoric for which no response is necessary. Insofar as such allegations are construed to pertain to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide, Countrywide denies those allegations. Countrywide lacks adequate information to admit or deny the allegations of paragraph 76 of the Complaint insofar as they pertain to purported misconduct by others, and on that basis denies them.

77. The allegations of paragraph 77 of the Complaint do not appear to be directed against Countrywide, and constitute legal conclusions and/or rhetoric for which no response is necessary. Insofar as such allegations are construed to pertain to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide, Countrywide denies those allegations. Countrywide lacks adequate information to admit or deny the allegations of paragraph 77 of the Complaint insofar as they pertain to purported misconduct by others, and on that basis denies them.

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78. The allegations of paragraph 78 of the Complaint do not appear to be directed against Countrywide, and constitute legal conclusions and/or rhetoric for which no response is necessary. Insofar as such allegations are construed to pertain to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide, Countrywide denies those allegations. Countrywide lacks adequate information to admit or deny the allegations of paragraph 78 of the Complaint insofar as they pertain to purported misconduct by others, and on that basis denies them.

79. Countrywide Bank admits the allegations in paragraph 79 of the Complaint. Countrywide Financial Corporation lacks adequate information to admit or deny the allegations of paragraph 79 of the Complaint, and on that basis denies them.

80. The allegations of paragraph 80 of the Complaint do not appear to be directed against Countrywide, and constitute legal conclusions and/or rhetoric for which no response is necessary. Insofar as such allegations are construed to pertain to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide, Countrywide denies those allegations. Countrywide lacks adequate information to admit or deny the allegations of paragraph 80 of the Complaint insofar as they pertain to purported misconduct by others, and on that basis denies them.

NINTH CAUSE OF ACTION

California Consumer Legal Remedies Act

81. In response to paragraph 81 of the Complaint, Countrywide incorporates by reference its responses to paragraphs 1 through 80 above. Except as expressly admitted in such responses, Countrywide denies the allegations of paragraph 81 and each and every paragraph referenced therein.

82. Countrywide denies the allegations in paragraph 82 of the Complaint.

83. Countrywide denies the allegations in paragraph 83 of the Complaint.

84. Countrywide denies the allegations in paragraph 84 of the Complaint.

1 85. Countrywide denies the allegations in paragraph 85 of the Complaint.

2 86. The allegations of paragraph 86 of the Complaint do not appear to be
3 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
4 which no response is necessary. Insofar as such allegations are construed to pertain
5 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
6 Countrywide denies those allegations. Countrywide lacks adequate information to
7 admit or deny the allegations of paragraph 86 of the Complaint insofar as they
8 pertain to purported misconduct by others, and on that basis denies them.

9 87. Countrywide denies the allegations in paragraph 87 of the Complaint.

10 88. Countrywide Bank admits that Plaintiffs served Countrywide Bank a
11 demand letter but denies that it conforms with the requirements of the Consumer
12 Legal Remedies Act. Countrywide Financial Corporation lacks adequate
13 information to admit or deny the allegations of paragraph 88 of the Complaint, and
14 on that basis denies them.

15 89. The allegations of paragraph 89 of the Complaint do not appear to be
16 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
17 which no response is necessary. Insofar as such allegations are construed to pertain
18 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
19 Countrywide denies those allegations. Countrywide lacks adequate information to
20 admit or deny the allegations of paragraph 89 of the Complaint insofar as they
21 pertain to purported misconduct by others, and on that basis denies them.

22 90. The allegations of paragraph 90 of the Complaint do not appear to be
23 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
24 which no response is necessary. Insofar as such allegations are construed to pertain
25 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
26 Countrywide denies those allegations. Countrywide lacks adequate information to
27 admit or deny the allegations of paragraph 90 of the Complaint insofar as they
28 pertain to purported misconduct by others, and on that basis denies them.

TENTH CAUSE OF ACTION**Negligence of a Notary Public**

91. In response to paragraph 91 of the Complaint, Countrywide incorporates by reference its responses to paragraphs 1 through 90 above. Except as expressly admitted in such responses, Countrywide denies the allegations of paragraph 91 and each and every paragraph referenced therein.

92. The allegations of paragraph 92 of the Complaint do not appear to be directed against Countrywide, and constitute legal conclusions and/or rhetoric for which no response is necessary. Insofar as such allegations are construed to pertain to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide, Countrywide denies those allegations. Countrywide lacks adequate information to admit or deny the allegations of paragraph 92 of the Complaint insofar as they pertain to purported misconduct by others, and on that basis denies them.

93. The allegations of paragraph 93 of the Complaint do not appear to be directed against Countrywide, and constitute legal conclusions and/or rhetoric for which no response is necessary. Insofar as such allegations are construed to pertain to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide, Countrywide denies those allegations. Countrywide lacks adequate information to admit or deny the allegations of paragraph 93 of the Complaint insofar as they pertain to purported misconduct by others, and on that basis denies them.

94. The allegations of paragraph 94 of the Complaint do not appear to be directed against Countrywide, and constitute legal conclusions and/or rhetoric for which no response is necessary. Insofar as such allegations are construed to pertain to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide, Countrywide denies those allegations. Countrywide lacks adequate information to admit or deny the allegations of paragraph 94 of the Complaint insofar as they pertain to purported misconduct by others, and on that basis denies them.

1 95. The allegations of paragraph 95 of the Complaint do not appear to be
2 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
3 which no response is necessary. Insofar as such allegations are construed to pertain
4 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
5 Countrywide denies those allegations. Countrywide lacks adequate information to
6 admit or deny the allegations of paragraph 95 of the Complaint insofar as they
7 pertain to purported misconduct by others, and on that basis denies them.

8 96. The allegations of paragraph 96 of the Complaint do not appear to be
9 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
10 which no response is necessary. Insofar as such allegations are construed to pertain
11 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
12 Countrywide denies those allegations. Countrywide lacks adequate information to
13 admit or deny the allegations of paragraph 96 of the Complaint insofar as they
14 pertain to purported misconduct by others, and on that basis denies them.

ELEVENTH CAUSE OF ACTION

Breach of Contract Against Commonwealth

18 97. In response to paragraph 97 of the Complaint, Countrywide
19 incorporates by reference its responses to paragraphs 1 through 96 above. Except as
20 expressly admitted in such responses, Countrywide denies the allegations of
21 paragraph 97 and each and every paragraph referenced therein.

22 98. The allegations of paragraph 98 of the Complaint do not appear to be
23 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
24 which no response is necessary. Insofar as such allegations are construed to pertain
25 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
26 Countrywide denies those allegations. Countrywide lacks adequate information to
27 admit or deny the allegations of paragraph 98 of the Complaint insofar as they
28 pertain to purported misconduct by others, and on that basis denies them.

1 99. The allegations of paragraph 99 of the Complaint do not appear to be
2 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
3 which no response is necessary. Insofar as such allegations are construed to pertain
4 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
5 Countrywide denies those allegations. Countrywide lacks adequate information to
6 admit or deny the allegations of paragraph 99 of the Complaint insofar as they
7 pertain to purported misconduct by others, and on that basis denies them.

8 100. The allegations of paragraph 100 of the Complaint do not appear to be
9 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
10 which no response is necessary. Insofar as such allegations are construed to pertain
11 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
12 Countrywide denies those allegations. Countrywide lacks adequate information to
13 admit or deny the allegations of paragraph 100 of the Complaint insofar as they
14 pertain to purported misconduct by others, and on that basis denies them.

15 101. The allegations of paragraph 101 of the Complaint do not appear to be
16 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
17 which no response is necessary. Insofar as such allegations are construed to pertain
18 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
19 Countrywide denies those allegations. Countrywide lacks adequate information to
20 admit or deny the allegations of paragraph 101 of the Complaint insofar as they
21 pertain to purported misconduct by others, and on that basis denies them.

22 102. The allegations of paragraph 102 of the Complaint do not appear to be
23 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
24 which no response is necessary. Insofar as such allegations are construed to pertain
25 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
26 Countrywide denies those allegations. Countrywide lacks adequate information to
27 admit or deny the allegations of paragraph 102 of the Complaint insofar as they
28 pertain to purported misconduct by others, and on that basis denies them.

TWELFTH CAUSE OF ACTION**Civil Conspiracy**

103. In response to paragraph 103 of the Complaint, Countrywide incorporates by reference its responses to paragraphs 1 through 102 above. Except as expressly admitted in such responses, Countrywide denies the allegations of paragraph 103 and each and every paragraph referenced therein.

104. The allegations of paragraph 104 of the Complaint do not appear to be directed against Countrywide, and constitute legal conclusions and/or rhetoric for which no response is necessary. Insofar as such allegations are construed to pertain to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide, Countrywide denies those allegations. Countrywide lacks adequate information to admit or deny the allegations of paragraph 104 of the Complaint insofar as they pertain to purported misconduct by others, and on that basis denies them.

105. The allegations of paragraph 105 of the Complaint do not appear to be directed against Countrywide, and constitute legal conclusions and/or rhetoric for which no response is necessary. Insofar as such allegations are construed to pertain to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide, Countrywide denies those allegations. Countrywide lacks adequate information to admit or deny the allegations of paragraph 105 of the Complaint insofar as they pertain to purported misconduct by others, and on that basis denies them.

THIRTEENTH CAUSE OF ACTION**Violation of California Civil Code § 1632**

106. In response to paragraph 106 of the Complaint, Countrywide incorporates by reference its responses to paragraphs 1 through 105 above. Except as expressly admitted in such responses, Countrywide denies the allegations of paragraph 106 and each and every paragraph referenced therein.

1 107. The allegations of paragraph 107 of the Complaint do not appear to be
2 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
3 which no response is necessary. Insofar as such allegations are construed to pertain
4 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
5 Countrywide denies those allegations. Countrywide lacks adequate information to
6 admit or deny the allegations of paragraph 107 of the Complaint insofar as they
7 pertain to purported misconduct by others, and on that basis denies them.

8 108. The allegations of paragraph 108 of the Complaint do not appear to be
9 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
10 which no response is necessary. Insofar as such allegations are construed to pertain
11 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
12 Countrywide denies those allegations. Countrywide lacks adequate information to
13 admit or deny the allegations of paragraph 108 of the Complaint insofar as they
14 pertain to purported misconduct by others, and on that basis denies them.

15 16 **FOURTEENTH CAUSE OF ACTION**

17 **Violation of the Fair Housing Amendments Act**

18 109. In response to paragraph 109 of the Complaint, Countrywide
19 incorporates by reference its responses to paragraphs 1 through 108 above. Except
20 as expressly admitted in such responses, Countrywide denies the allegations of
21 paragraph 109 and each and every paragraph referenced therein.

22 110. The allegations of paragraph 110 of the Complaint do not appear to be
23 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
24 which no response is necessary. Insofar as such allegations are construed to pertain
25 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
26 Countrywide denies those allegations. Countrywide lacks adequate information to
27 admit or deny the allegations of paragraph 110 of the Complaint insofar as they
28 pertain to purported misconduct by others, and on that basis denies them.

1 111. The allegations of paragraph 111 of the Complaint do not appear to be
2 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
3 which no response is necessary. Insofar as such allegations are construed to pertain
4 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
5 Countrywide denies those allegations. Countrywide lacks adequate information to
6 admit or deny the allegations of paragraph 111 of the Complaint insofar as they
7 pertain to purported misconduct by others, and on that basis denies them.

8 112. The allegations of paragraph 112 of the Complaint do not appear to be
9 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
10 which no response is necessary. Insofar as such allegations are construed to pertain
11 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
12 Countrywide denies those allegations. Countrywide lacks adequate information to
13 admit or deny the allegations of paragraph 112 of the Complaint insofar as they
14 pertain to purported misconduct by others, and on that basis denies them.

15 **FIFTEENTH CAUSE OF ACTION**

16 **Violation of the Fair Housing Amendments Act**

17 113. In response to paragraph 113 of the Complaint, Countrywide
18 incorporates by reference its responses to paragraphs 1 through 112 above. Except
19 as expressly admitted in such responses, Countrywide denies the allegations of
20 paragraph 113 and each and every paragraph referenced therein.

21 114. The allegations of paragraph 114 of the Complaint do not appear to be
22 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
23 which no response is necessary. Insofar as such allegations are construed to pertain
24 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
25 Countrywide denies those allegations. Countrywide lacks adequate information to
26 admit or deny the allegations of paragraph 114 of the Complaint insofar as they
27 pertain to purported misconduct by others, and on that basis denies them.
28

115. The allegations of paragraph 115 of the Complaint do not appear to be directed against Countrywide, and constitute legal conclusions and/or rhetoric for which no response is necessary. Insofar as such allegations are construed to pertain to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide, Countrywide denies those allegations. Countrywide lacks adequate information to admit or deny the allegations of paragraph 115 of the Complaint insofar as they pertain to purported misconduct by others, and on that basis denies them.

116. The allegations of paragraph 116 of the Complaint do not appear to be directed against Countrywide, and constitute legal conclusions and/or rhetoric for which no response is necessary. Insofar as such allegations are construed to pertain to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide, Countrywide denies those allegations. Countrywide lacks adequate information to admit or deny the allegations of paragraph 116 of the Complaint insofar as they pertain to purported misconduct by others, and on that basis denies them.

SIXTEENTH CAUSE OF ACTION

Violation of the Unfair Competition Act

117. In response to paragraph 117 of the Complaint, Countrywide incorporates by reference its responses to paragraphs 1 through 116 above. Except as expressly admitted in such responses, Countrywide denies the allegations of paragraph 117 and each and every paragraph referenced therein.

118. The allegations of paragraph 118 of the Complaint do not appear to be directed against Countrywide, and constitute legal conclusions and/or rhetoric for which no response is necessary. Insofar as such allegations are construed to pertain to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide, Countrywide denies those allegations. Countrywide lacks adequate information to admit or deny the allegations of paragraph 118 of the Complaint insofar as they pertain to purported misconduct by others, and on that basis denies them.

1 119. The allegations of paragraph 119 of the Complaint do not appear to be
2 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
3 which no response is necessary. Insofar as such allegations are construed to pertain
4 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
5 Countrywide denies those allegations. Countrywide lacks adequate information to
6 admit or deny the allegations of paragraph 119 of the Complaint insofar as they
7 pertain to purported misconduct by others, and on that basis denies them.

8 120. The allegations of paragraph 120 of the Complaint do not appear to be
9 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
10 which no response is necessary. Insofar as such allegations are construed to pertain
11 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
12 Countrywide denies those allegations. Countrywide lacks adequate information to
13 admit or deny the allegations of paragraph 120 of the Complaint insofar as they
14 pertain to purported misconduct by others, and on that basis denies them.

15 121. The allegations of paragraph 121 of the Complaint do not appear to be
16 directed against Countrywide, and constitute legal conclusions and/or rhetoric for
17 which no response is necessary. Insofar as such allegations are construed to pertain
18 to alleged wrongdoing by Countrywide or are otherwise directed at Countrywide,
19 Countrywide denies those allegations. Countrywide lacks adequate information to
20 admit or deny the allegations of paragraph 121 of the Complaint insofar as they
21 pertain to purported misconduct by others, and on that basis denies them.

22 23 **SEVENTEENTH CAUSE OF ACTION**

24 **Violation of California Civil Code § 1921**

25 122. The allegations of paragraph 122 of the Complaint constitute legal
26 conclusions and/or rhetoric for which no response is necessary.

27 123. Countrywide denies the allegation in paragraph 123 of the Complaint.
28

124. The allegations of paragraph 124 of the Complaint constitute legal conclusions and/or rhetoric for which no response is necessary.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

125. The Complaint does not state facts sufficient to constitute a cause of action.

SECOND AFFIRMATIVE DEFENSE

126. Countrywide Financial Corporation is not a lender and was not involved in the transaction at issue and therefore is an improper party to this lawsuit.

THIRD AFFIRMATIVE DEFENSE

127. The Complaint is barred, in whole or in part, by the applicable statutes of limitation, including but not limited to the statutes of limitation set forth in Civil Procedure Code sections 337, 338, 339, 340, 343, Business and Professions Code section 17208, Title 15, section 1640 of the United States Code, and Title 12, section 2614 of the United States Code.

FOURTH AFFIRMATIVE DEFENSE

128. The Complaint is barred, in whole or in part, because Plaintiffs consented to the terms of the transaction of which Plaintiffs now complain.

FIFTH AFFIRMATIVE DEFENSE

129. The Complaint is barred, in whole or in part, because Countrywide did not owe Plaintiffs a duty. If Countrywide did owe Plaintiffs a duty, Countrywide did not breach its duty to Plaintiffs.

SIXTH AFFIRMATIVE DEFENSE

130. The Complaint is barred, in whole or in part, because Countrywide made no misrepresentations to Plaintiffs.

SEVENTH AFFIRMATIVE DEFENSE

131. The Complaint is barred, in whole or in part, because Plaintiffs did not rely on any alleged representations or misrepresentations by Countrywide. If Plaintiffs did rely on any alleged representations or misrepresentations of Countrywide, such reliance was not reasonable or justifiable.

EIGHTH AFFIRMATIVE DEFENSE

132. The Complaint is barred, in whole or in part, because the alleged representations or misrepresentations were not material to the transactions which are the subject of the Complaint.

NINTH AFFIRMATIVE DEFENSE

133. The Complaint is barred, in whole or in part, because Countrywide acted in compliance with all applicable laws, statutes, and regulations, including but not limited to the TILA, 15 U.S.C. sections 1600 et seq., the RESPA, 12 U.S.C. sections 2601 et seq., and the CLRA sections 1750 et seq.

TENTH AFFIRMATIVE DEFENSE

134. The Complaint is barred, in whole or in part, by the doctrine of estoppel.

ELEVENTH AFFIRMATIVE DEFENSE

135. The Complaint is barred, in whole or in part, because Plaintiffs ratified the alleged actions or failures to act of Countrywide.

TWELFTH AFFIRMATIVE DEFENSE

136. The Complaint is barred, in whole or in part, by the doctrine of waiver.

THIRTEENTH AFFIRMATIVE DEFENSE

137. The Complaint is barred, in whole or in part, because Plaintiffs have not suffered the injury or damages alleged, or any other injury or damages.

FOURTEENTH AFFIRMATIVE DEFENSE

138. The Complaint is barred, in whole or in part, because if Plaintiffs sustained injury or damage, said injury or damage was caused wholly or in part by the conduct, negligent acts or omissions, and/or fault of third parties or entities other than Countrywide, which conduct, acts or omissions, or fault was the sole proximate cause or an intervening or superceding cause of any injury or damage to Plaintiffs.

FIFTEENTH AFFIRMATIVE DEFENSE

139. The Complaint is barred, in whole or in part, because any injury, damage or loss allegedly sustained by Plaintiffs was proximately and actually caused by and contributed to by the negligence and carelessness of Plaintiffs in that Plaintiffs failed to exercise ordinary care on their own behalf at the times and places set forth in the Complaint.

SIXTEENTH AFFIRMATIVE DEFENSE

140. The Complaint is barred, in whole or in part, because none of the alleged acts or omissions of Countrywide were the proximate cause of Plaintiffs' purported injuries and damages, if any.

Bryan Cave LLP
120 Broadway, Suite 300
Santa Monica, California 90401-2386

SEVENTEENTH AFFIRMATIVE DEFENSE

141. The Complaint is barred, in whole or in part, on the ground that Countrywide's conduct with respect to Plaintiffs was effected in good faith, without malice, spite, or conscious, reckless, or negligent disregard of Plaintiffs' rights, if any, and without improper purpose or motive, maliciousness, or ill will of any kind.

EIGHTEENTH AFFIRMATIVE DEFENSE

142. The Complaint is barred, in whole or in part, because any award in this action would constitute unjust enrichment.

NINETEENTH AFFIRMATIVE DEFENSE

143. To the extent that Plaintiffs seek equitable relief against Countrywide, Plaintiffs have adequate legal remedies for their purported injuries, if any, resulting from the alleged conduct of the Countrywide.

TWENTIETH AFFIRMATIVE DEFENSE

144. Plaintiffs are not entitled to recover attorneys' fees because Plaintiffs have not set forth a sufficient factual or legal basis for the recovery of attorneys' fees from Countrywide.

TWENTY-FIRST AFFIRMATIVE DEFENSE

145. Plaintiffs' state law claims are preempted, in whole or in part, by federal statutory, regulatory, or common law, including but not limited to the TILA, 15 U.S.C. sections 1600 et seq., and the RESPA, 12 U.S.C. sections 2601 et seq.

TWENTY-SECOND AFFIRMATIVE DEFENSE

146. Countrywide concealed no facts from Plaintiffs. To the extent that any fact or facts were not disclosed to Plaintiffs, such nondisclosure was not made with

1 the intent to defraud, deceive, or mislead Plaintiffs or to induce them to engage in
2 any alleged conduct.

3
4 **TWENTY-THIRD AFFIRMATIVE DEFENSE**

5 147. Plaintiffs had a reasonably available alternative source of supply for the
6 financing they sought and therefore cannot state a claim for unfair business
7 practices.

8
9 **TWENTY-FOURTH AFFIRMATIVE DEFENSE**

10 148. The practices alleged in the Complaint were not misleading because
11 adequate disclosures were made.

12
13 **TWENTY-FIFTH AFFIRMATIVE DEFENSE**

14 149. Plaintiffs' cause of action under the Consumer Legal Remedies Act is
15 barred because Plaintiffs failed to provide the notice and demand required by section
16 1782 of the Civil Code.

17
18 **TWENTY-SIXTH AFFIRMATIVE DEFENSE**

19 150. Countrywide has fully performed, satisfied, and/or discharged all of its
20 duties and/or obligations, if any, under the alleged agreement between Countrywide
21 and Plaintiffs.

22
23 **TWENTY-SEVENTH AFFIRMATIVE DEFENSE**

24 151. Plaintiffs' claim for punitive damages, if granted, would be grossly
25 excessive and would violate the Due Process clause of the Fourteenth Amendment
26 to the U.S. Constitution. Countrywide has not received fair notice that it could be
27 subject to substantial punitive damages in this State for the conduct alleged.
28 Countrywide's conduct was not deliberate, and the damages, if any, to Plaintiffs

1 were economic. The punitive damages sought by Plaintiffs are greatly
2 disproportionate to any actual damages and far exceed any civil or criminal
3 sanctions that could be imposed for similar alleged misconduct.

4
5 **TWENTY-EIGHTH AFFIRMATIVE DEFENSE**

6 152. Plaintiffs' claim for punitive damages, if granted, would violate the
7 Eighth Amendment to the U.S. Constitution and Article I, sections 1 and 17, of the
8 California Constitution because it seeks to impose an excessive fine upon
9 Countrywide and is penal in nature.

10
11 **TWENTY-NINTH AFFIRMATIVE DEFENSE**

12 153. Plaintiffs' claim for punitive damages, if granted, would violate the
13 Equal Protection clause of the Fourteenth Amendment to the U.S. Constitution and
14 Article I, section 7 of the California Constitution because it would discriminate
15 against Countrywide on the basis of wealth and because different amounts can be
16 awarded against two or more defendants for the same act where those defendants
17 differ only in material wealth.

18
19 **THIRTIETH AFFIRMATIVE DEFENSE**

20 154. Plaintiffs' claim for punitive damages violates the Due Process Clause
21 of the Fifth and Fourteenth Amendments to the U.S. Constitution because it seeks to
22 punish Countrywide based upon unconstitutionally vague standards.

23
24 **THIRTY-FIRST AFFIRMATIVE DEFENSE**

25 155. Plaintiffs' claim for punitive damages, if granted, would violate the
26 Fifth Amendment to the U.S. Constitution and Article I, section 15 of the California
27 Constitution because it would expose Countrywide to multiple punishments and
28 fines for the same act or conduct.

THIRTY-SECOND AFFIRMATIVE DEFENSE

156. Any award of punitive damages in this case would violate the Separation of Powers Doctrine since this Court and the jury would be usurping the exclusive power of the legislature to define crimes and establish punishment.

THIRTY-THIRD AFFIRMATIVE DEFENSE

157. Any award of punitive damages in this case would be constitutionally defective as an ex post facto law prohibited by the California and United States Constitutions. The jury, in making any such punitive award, would be effectively criminalizing conduct after it has occurred and without appropriate advance notice to a defendant that such conduct may subject it to criminal punishment.

THIRTY-FOURTH AFFIRMATIVE DEFENSE

158. Plaintiffs' burden of proof to support a punitive damage recovery is by clear and convincing evidence.

THIRTY-FIFTH AFFIRMATIVE DEFENSE

159. Plaintiffs' TILA claim is barred because Countrywide acted in good faith in conformity with the rules, regulations, and interpretations of the Federal Reserve Board.

WHEREFORE, Defendants pray for judgment as follows:

1. That Plaintiffs take nothing by their Complaint and that the same be dismissed with prejudice;
2. That Defendants have judgment entered in their favor;
3. That Defendants be awarded costs of suit, including attorneys' fees;
- and
4. For such other and further relief as this Court deems proper.

1
2 Dated: November 14, 2007

BRYAN CAVE LLP
JOHN W. AMBERG
HEATHER S. ORR

3
4
5 By: /s/ John W. Amberg

6 John W. Amberg
7 Attorneys for Defendants Countrywide
8 Bank, FSB and Countrywide Financial
9 Corporation
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Bryan Cave LLP
120 Broadway, Suite 300
Santa Monica, California 90401-2386

PROOF OF SERVICE

Rosa Galindo; Maria Galindo v. Financo Financial, Inc. et al.

Case No.: 3:07-cv-3991 EMC

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My e-mail address is sherri.gramza@bryancave.com.

On November 14, 2007, I caused the following document(s) described as: **COUNTRYWIDE BANK, FSB, AND COUNTRYWIDE FINANCIAL CORPORATION'S ANSWER TO SECOND AMENDED COMPLAINT** to be served upon each interested party in this action, as follows:

☒ **VIA ELECTRONIC SERVICE**: By electronic filing with the Clerk of the Court using the CM/ECF System, which will send a Notice of Electronic Filing to all parties with an e-mail address of record, who have filed a Notice of Consent to Electronic Service in this action.

☒ **FEDERAL ONLY**: I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on November 14, 2007, at Santa Monica, California.

/s/ Sherri Gramza

Sherri Gramza